THE ROYAL COMMISSION ON TRANSPORTATION

ONTARIO

MEMORANDUM

Presented on Behalf of

SMITH TRANSPORT, LIMITED

Prepared and Presented by

J. GUTMANN
Secretary-Treasurer.

Mylord and Gentlemen:

The task assigned to this Commission, and I call it a task because such it is, does not lend itself readily to the comparison of the system of transportation under investigation which has scarcely been in existance one score years, and may be said to be still in its experimental stages, and other systems of transportation, that is, mainly railways, which have been in existance for a full century and waterways which even preceded the railways.

Among the duties assigned to the commission, appears particularly the duty of inquiring into the rates of charges and tolls imposed by highway transport operators for services rendered, the manner of determining these rates of charges and tolls and to compare them with rates and tolls of other means of transportation.

It is well at the outset to state that there exists no actual method of determining rates of charges and tolls to be imposed by highway operators other than those devised by the respective experiences of the individual operators and competitive requirements.

I will for a moment take the commission back to the origin of the company I represent. The company I represent finds its origin in the business started by Philip Smith in the year 1921, under the firm name of Smith Transportation Company.

Mr. Smith, prior to entering the field of transportation by truck, became the private owner of a motor truck for use in the business he was carrying on at that time. It was some short time after suggested to him that certain remuneration would be paid him if he would transport certain manufactured products from Oshawa to Toronto. Several trial trips proved profitable and Mr. Smith then decided to attempt transportation service between Oshawa and Toronto by truck.

At that time, there being no established schedule of rates for such a mode of transportation, or for that matter any manner of determining rates, the undertaking was to carry shipments at the only established rates available, namely rail rates, subject nevertheless to a minimum charge.

After operations developed to some extent, although the business proved profitable, the railway classification was found impractical, particularly in view of the fact that certain bulky materials enjoying a low rate per hundred pounds were shown to be unprofitable because of the limited capacity of a truck from the point of view of cubic contents, while other materials of a very heavy nature might, under the then prevailing rail classification, travel at a higher rate, notwithstanding that the handling of these materials might not be as costly as the more bulky.

It was therefore endeavoured to arrive at a general rate which, based on the assumption that a truck would be loaded to capacity, would yield a revenue sufficient to allow for:

1. Cost of Motor Fuels,
2. Relative cost of Depreciation
3. Wages of Driver
4. Cost of pick-up, Delivery and Warehousing
5. Overhead
6. Mark up.

To deal with these as individual items, it must be borne in mind that because of the limited scope of a truck's capacity and operation its cost of operation becomes easy of computation.

1. In dealing with the cost of motor fuels, the consumption of these by motor trucks, if not predetermined by the manufacturer can soon be ascertained by experience in operation, and once the motor fuel consumption per mile is ascertained it is but an easy matter then to decide the total consumption over a distance of highway between two given points.

2. The relative cost of depreciation is also computed on a basis similar to that of determining the most of motor fuel. It is customary for the manufacturer to predetermine the total mileage in which it may reasonably be expected that a truck will exhaust itself and it is relying on the approximate accuracy of this information that the cost of depreciation per mile, since the actual cost of the

truck is available, is determined and may thus be applied over any distance between two given points.

3. The manner of determining the wages of the driver depended on the average earning capacity of an average industrial worker and which was apparently acceptable to the driver as a standard living wage. For the purpose of computation of costs, this wage, as relating to a day, was deemed to apply to a ten hour working day.

4. In determining our cost of pick up, delivery and warehousing while we have never subjected this cost to particular study we assumed that the charges of cartage agents in urban centres would be a fair charge, this inasmuch as equipment used for pick-up and delivery service was similar in nature to that of equipment used by local cartage agents.

5. Overhead, in our cost make up, was an indefinite charge and levied according to no specified method of determination, but only in the discretion of the carrier, as to what would cover possible office work, insurance, the possibility of claims of a nature other than that covered by insurance and incidentals.

6. The amount of the mark up rested very much in the discretion of the carrier as to what might constitute a fair revenue for the day and the use of the equipment.

This method of operation proved profitable to both carrier and shipper and the business developed both in nature and size.

With the advent of improvements in automotive equipment, automotive engineers were able to introduce trucks affording increased carrying capacity, supplemented by facility of operation and increased comfort to driver, at no higher, or little higher cost, thus providing greater revenue capacity without comparatively raising the cost of earning the revenue. The natural reaction of course, was that we were then able to reduce the rate of charges and tolls we were levying up to that time, and pass the benefit of our economies on to the shipping public.

We were then called upon by individual industries to submit

quotations on truck load shipments the usual arrangement being that at a given shipping time, a truck should be left at the loading platform of the inquiring shipper, somewhat in the same manner as a railway car may be left on a shipper's siding, the loading operation of the shipper's material consigned to a certain point were then carried on solely by the shipper's employees, under supervision of the driver of our truck, and when loaded to capacity, the driver would then conduct the truck to its destination, thus eliminating the necessity of pick up, delivery and warehouse handling. Under such arrangements, and in consideration of certain labors being performed by the shipper, we were in a position to pass on to this shipper the benefit of the economy so afforded.

With the development and extention of the industry the necessity for fleet operation became necessary and with the natural division of terminal and pick up and delivery operations among the added trucks, the cost of these operations per truck were naturally reduced and with the realization of this fact, we were again able to pass the benefit of this economy to the shipping public, without rendering our business unprofitable.

The extention of territory then took place, this at the request of the shipping public, and with this extention came the grouping of deliveries in terminals, consigned to one firm regardless of their place of origin, which further lessened the cost of delivering shipments by elimination of individual handling; the same reduction in costs was also true of pick up operations. This made further downward revision of rates possible without affecting the profit making capacity of the business.

Further economies in the cost of operations were made possible in the years that followed, by improvements of the automotive operation and body building; improvement in tire equipment and shock absorbing arrangements; the building of hard surface road; the creation of equipment capable of division as to motive and carrying units so as to introduce a system of locomotion in the automotive transport field; the possibility of division of labor due to increased business, thus reducing the highway transport driver to driving duties only. To

such length had automotive engineers developed ease of carriage and shock absorbing facilities in motor trucks, that road engineers a few years ago advised that it was no longer necessary for the Provincial government to impose half load laws during the spring frost season, on such road as had been scientifically surfaced with asphalt or cement.

Downward revision of rates of tolls was of course pursued in an effort to pass economies to the shipping public as economies presented themselves. This revision, however, became compulsory with the establishment of a system of competition which had arison, it is suggested, due to a delay in regulation of the licensing of Public Commercial Vehicles, which delay had permitted the establishment of multiple services in one area, forcing certain operators to quote lower rates in an effort to obtain a share of business and also forcing others to follow suit in order to retain this same business. This condition eventually led to a deplorable labor condition in some of the transport enterprises, to permit these enterprises to compete.

The condition referred to however, may not be attributed entirely to competition between transport operators, but also to the hostile attitude adopted by railways in 1933, who apparently became apprehensive of the extent of the freight carried by motor trucks, in which they seemed to find the absurd excuse of their enormous deficits. They launched themselves upon a downward freight rate revision to meet motor truck competition, so to speak, this in the face of an already sustained large deficit, to the cover of which, in the case of one of the railroads, transport operators as dutiful taxpayers, both in direct and in indirect taxation, were contributing. It is suggested that Railways were not only content with meeting motor truck competition, but also engaged upon a campaign of rate cutting. One glaring example of this comes to my mind where one shipper in the territory of the company I represent, moving considerable material to Montreal, divided his movements between rail and truck, the bulk of the movement going to the railway because of its greater carrying capacity. The freight rate

paid by the shipper to both the railway and ourselves was uniform. Nevertheless, for no other apparent reason than for the purpose of monopolizing these movements the railway published a tariff on the movement of this particular commodity from the point where it originated to Montreal reducing the rate paid by the shipper in question to 50% of its amount.

Another preactice reported as being used by the railways, if reports are true, can be termed as unfair and unethical. The practice I refer to is intimidation.

The most recent developments, while causing no backward trend in our business, caused a downward revision in our rates beyond the point desired and in many cases resulted in the abandonment of long established business, because with the rates available, this business appeared to have become unprofitable to my company.

I feel that slight revision and enforcement of the laws and regulations enacted by the authorities within the last three years supplemented by labor regulations would cause our business to find its own level without the costly necessity of establishing a rate fixing and governing body.

I submit, herebelow, a summary showing the amount of wages paid by us, year by year from January 1, 1929 to Dec. 31, 1936, and the average number of employees applying thereto, striking the average earning per year of an employee for that period.

YEAR	AVERAGE NUMBER EMPLOYED	AMOUNT
1929	14	17515.44
1930	18	24410.93
1931	24	32196.64
1932	28	32671.22
1933	67	56396.04
1934	79	97022.60
1935	106	117322.16
1936	144	167465.32
One Year's average earnings for 480 employees		$545000.35

The above would be equal to an average annual earning for one employee amounting to $1135.40.

The amount of wages paid from January 1, to October 31, 1937 is $152814.09, the average number of employees for this period is 150 so that the average earning for the first ten months of this year is $967.20. This figure extended pro rata to apply to the last two months of this year would product an average earning for one employee for the year 1937 amounting to $1160.00.

I submit as a supplement to the foregoing a summary showing the details of wages paid as of this date, in our organization.

NUMBER EMPLOYED	PARTICULARS	AMOUNT OF EARNINGS	
1	Toronto-Cornwall Driver	$15.00	per trip Trip
6	Toronto-Cornwall Driver	14.00	" "
5	Toronto-Cornwall Driver	13.00	" "
2	Toronto-Cornwall Driver	12.00	" "
4	Toronto-Brockville Driver	9.00	" "
2	Toronto-Kingston Driver	8.00	" "
1	Toronto-Cobourg Driver	24.50	" Week
1	Toronto-Lindsay Driver	21.00	" "
1	Toronto-Lindsay Driver	20.00	" "
1	Toronto-Hamilton Driver	24.00	" "
1	Toronto-Hamilton Driver	21.00	" "
1	Toronto-Oshawa Driver	21.00	" "
1	Toronto-Oshawa Driver	18.00	" "
1	Lindsay-Fenelon Falls Driver	25.00	" "
4	Belleville-Montreal Driver	10.00	" Trip
2	Belleville-Toronto Driver	4.00	" "
6	Cornwall-Montreal Driver	4.00	" "
1	Belleville-Peterborough Driver	21.00	" Week
1	Brockville-Cornwall Driver	21.00	" "
1	City Driver	25.00	" "
3	" "	22.00	" "
26	" "	21.00	" "
3	" "	20.00	" "
7	" "	18.00	" "
2	" "	17.00	" "
2	" "	15.00	" " } Helpers.
1	" "	12.00	" "
2	Helper	17.00	" "
1	"	15.00	" "
1	"	12.00	" "
1	Warehouseman	30.00	" "
1	"	28.00	" "
1	"	25.00	" "
1	"	22.50	" "
2	"	22.00	" "
7	"	21.00	" "
1	"	20.00	" "
7	"	18.00	" "
1	"	15.00	" " Nightwatchman
1	Superintendent	35.00	" "
2	Mechanics	32.00	" "

NUMBER EMPLOYED	PARTICULARS	AMOUNT OF EARNINGS
1	Mechanic	$30.00 Per Week
3	"	28.00 " "
2	"	26.00 " "
1	Assistant Mechanic	24.00 " "
1	Labourer	25.00 " "
2	"	20.00 " "
4	"	18.00 " "
2	"	17.00 " "
1	Branch Manager	45.00 " "
1	" "	40.00 " "
1	" "	35.00 " "
2	" "	30.00 " "
2	" "	25.00 " "
1	" "	22.00 " "
2	" "	20.00 " "
2	Male Clerks	30.00 " "
2	" "	25.00 " "
2	" "	22.50 " "
1	" "	22.00 " "
3	" "	15.00 " "
2	" "	12.00 " "
2	" "	10.00 " "
1	Delivery Boy	11.00 " "
1	" "	9.00 " "
2	Female Clerks	25.00 " "
2	" "	15.00 " "
4	" "	14.00 " "
1	" "	12.50 " "
2	" "	11.00 " "
4	" "	10.00 " "

Drivers paid on trip basis for trips longer than 100 miles one way make three trips per week. (return trips)

Other drivers, pick up and delivery drivers, and warehousemen are being paid on basis of a 60 hours per week.

Mechanics are being paid on the basis of 53 hours per week.

Clerks work 43 hours per week and are entitled to one week's holiday with pay.

The territory of the company is dotted with depots which are situated at Hamilton, Toronto, Oshawa, Cobourg, Belleville, Kingston, Brockville, Cornwall, Lindsay and Peterborough, so that a driver is never further than 25 miles away from shelter in the event of trouble and delay in relief is thereby eliminated.

The employees of our company have organized themselves into an Association of Smith Transport Employees and have negotiated with the company for terms and conditions of work. I am submitting with this memorandum a copy of the resulting agreement.

I submit herebelow, a further summary showing the amount of taxation paid by the company I represent since the beginning of the year 1929.

YEAR	MUNICIPAL	LICENSES	GAS TAX	OTHER PROV. TAX	DOMINION
1929	$ 294.69	$ 1222.50	$ 655.20	$ 199.21	$ 184.90
1930	282.23	1370.00	2548.85	Nil	272.21
1931	248.19	1728.50	2255.85	Nil	23.91
1932	251.51	3009.13	2326.92	Nil	55.79
1933	57.22	6071.06	3884.34	50.00	2019.79
1934	66.03	11313.96	4199.28	91.29	3272.12
1935	719.51	12692.70	15411.96	333.74	2269.19
1936	969.71	17996.85	19761.66	668.35	1123.28
1937	1035.35	23901.15 ~~23701.15~~	14852.64	756.22	
	3924.44	79305.85 ~~79305.85~~	65896.70	2068.81	9223.19

Taxes shown for 1937 are computed to October 31st only and Dominion Taxes to that date have not been computed. The total amount of the above taxes with the above qualifications, amount in the aggregate to $160418.99.

It is further to be noted that municipal taxes as stated above might be trebled were we to consider the taxes paid on premises rented by my company.

Taxes to the Dominion would also show considerable increase were we to compute amounts paid by way of indirect taxation levied particularly under the provisions of the Special War Revenue Act, 1915 and amendments to date.

I append to this memorandum a schedule marked "Schedule A", showing the rates charged by the company I represent. These rates cover the territory covered by my company and are quoted in terms of cents per one hundred pounds. It is well to note that these rates are general rates and apply on general less than truck load shipments.

In closing, I want to reiterate my belief that slight revision of existing enactments and regulations establishment of proper labor

regulations and proper enforcement of these, would relieve the many ills which seem to prevail in the industry.

All of which I respectfully submit for the careful study and consideration of this honourable commission.

Secretary-Treasurer
SMITH TRANSPORT LIMITED

"SCHEDULE--A"

	Hamilton	Toronto	Whitby	Oshawa	Bowmanville	Port Hope	Cobourg	Brighton	Trenton	Belleville	Napanee	Kingston	Gananoque	Brockville	Prescott	Morrisburg	Cornwall	Montreal	Port Perry	Sunderland	Lindsay	Fenelon Falls	Bobcaygeon	Omemee	Peterboro	Norwood	Campbellford	Stirling	Havelock	Marmora	Frankford
Hamilton		20	40	40	40	50	50	50	50	50	50	50	55	53	58	63	63	65	50	50	50	50	50	50	50	50	50	50	50	50	50
Toronto	20		20	20	25	30	30	35	35	35	40	40	45	54	54	59	59	60	35	35	35	50	50	40	35	40	40	40	45	45	45
Whitby	40	20		20	20	25	30	35	35	35	40	40	45	54	54	59	59	60	25	35	35	50	50	40	35	40	40	40	45	45	45
Oshawa	40	20	20		20	25	25	35	35	35	40	40	45	54	54	59	59	60	35	35	35	40	40	40	35	40	40	40	45	45	45
Bowmanville	40	25	20	20		20	20	30	35	35	40	40	45	54	54	59	59	60	35	35	35	50	50	40	35	40	40	40	45	45	45
Port Hope	50	30	25	25	20		20	25	25	30	40	40	40	50	50	50	50	55	35	35	35	40	40	40	35	40	40	40	40	40	40
Cobourg	50	30	30	25	20	20		20	25	30	40	40	40	50	50	50	50	55	35	35	35	40	40	40	35	40	40	40	40	40	40
Brighton	50	35	35	35	30	25	20		20	25	35	35	40	50	50	50	50	55	35	35	35	40	40	40	35	40	40	40	40	40	40
Trenton	50	35	35	35	35	25	25	20		20	35	35	40	50	50	50	50	55	35	35	35	40	40	40	35	35	35	35	35	35	25
Belleville	50	35	35	35	35	30	30	25	20		30	30	40	40	50	50	50	55	35	35	35	40	40	40	35	35	35	25	35	35	35
Napanee	50	40	40	40	40	40	40	35	35	30		20	30	40	40	50	50	55	40	40	40	50	50	40	40	40	40	40	40	40	40
Kingston	50	40	40	40	40	40	40	35	35	30	20		20	35	35	40	40	50	40	40	40	50	50	40	40	40	40	40	40	40	40
Gananoque	55	45	45	45	45	40	40	40	40	40	30	20			35	40	40	50	45	45	45	50	50	50	45	45	45	45	45	45	45
Brockville	58	54	54	54	54	50	50	50	50	40	40	35			20	25	30	45	50	50	50	50	50	50	50	50	50	50	50	50	50
Prescott	58	54	54	54	54	50	50	50	50	50	40	35	35	20		25	25	45	55	55	55	55	55	55	55	50	50	50	50	50	50
Morrisburg	63	59	59	59	59	50	50	50	50	50	50	40	40	25	25		25	45	59	59	59	59	59	59	59	55	55	55	55	55	55
Cornwall	63	59	59	59	59	50	50	50	50	50	50	40	40	30	25	25			59	59	59	59	59	59	59	55	55	55	55	55	55
Montreal	65	60	60	60	60	55	55	55	55	55	55	50	50	45	45	45			60	60	60	60	60	60	55	55	55	55	55	55	55
Port Perry	50	35	25	35	35	35	35	35	35	35	40	40	45	50	55	59	59	60		25	35	40	40	40	35	40	40	40	45	45	45
Sunderland	50	35	35	35	35	35	35	35	35	35	40	40	45	50	55	59	59	60	25		25	35	35	35	35	40	40	40	45	45	45
Lindsay	50	35	35	35	35	35	35	35	35	35	40	40	45	50	55	59	59	60	35	25		20	20	20	20	35	35	35	35	35	35
Fenelon Falls	50	50	50	40	50	40	40	40	40	40	50	50	50	50	55	59	59	60	40	35	20		20	30	30	35	35	35	35	35	35
Bobcaygeon	50	50	50	40	50	40	40	40	40	40	50	50	50	50	55	59	59	60	40	35	20	20		20	30	35	35	35	35	35	35
Omemee	50	40	40	40	40	40	40	40	40	40	40	40	50	50	55	59	59	60	40	35	20	30	20		20	35	35	35	35	35	35
Peterboro	50	35	35	35	35	35	35	35	35	35	40	40	45	50	55	59	59	55	35	35	20	30	30	20		25	25	30	30	30	30
Norwood	50	40	40	40	40	40	40	40	35	35	40	40	45	50	50	55	55	55	40	40	35	35	35	35	25		30	30	30	30	30
Campbellford	50	40	40	40	40	40	40	40	35	35	40	40	45	50	50	55	55	55	40	40	35	35	35	35	25	30		30	30	30	30
Stirling	50	40	40	40	40	40	40	40	35	25	40	40	45	50	50	55	55	55	40	40	35	35	35	35	30	30	30		30	30	30
Havelock	50	45	45	45	45	40	40	40	35	35	40	40	45	50	50	55	55	55	45	45	35	35	35	35	30	30	30	30		30	30
Marmora	50	45	45	45	45	40	40	40	35	35	40	40	45	50	50	55	55	55	45	45	35	35	35	35	30	30	30	30	30		30
Frankford	50	45	45	45	45	40	40	40	25	35	40	40	45	50	50	55	55	55	45	45	35	35	35	35	30	30	30	30	30	30	

ENDORSEMENT TO AN AGREEMENT MADE IN TRIPLICATE THE TENTH DAY OF NOVEMBER, A. D. 1937.

BETWEEN:

SMITH TRANSPORT LIMITED
a corporation with Head Office
in the City of Toronto.
hereinafter called

The Employer of the First Part.

-and-
-and-
-and-
-and-

C. BOWEN
J. PATERSON
J. COULTER
A. NICHOLSON
All of the City of Toronto,
constituting a Committee,
appointed to represent the
employees of the Smith Transport
Limited,
hereinafter referred to as

The Employees of the Second Part.

WHEREAS by the terms of the above agreement it is provided that the said agreement be presented to the Industry & Labour Board, of the Province of Ontario, and approved by the said Industry & Labour Board, and

WHEREAS the said agreement further provides that upon approval by the Industry & Labour Board, the said agreement shall come into force and continue in force for a period of one year from the date of approval, and

WHEREAS upon presentation of the said agreement to the Industry & Labour Board it was pointed out by the Industrial Standard's Officer that where mutual agreement exists between Employer and Employees, it is not necessary to obtain the sanction of the Industry & Labour Board, unless legislation is provided to affect the entire industry in which such agreement takes place, and

WHEREAS by the above terms the said agreement is classified in that category and requires no ratification by the Industry & Labour Board.

NOW THEREFORE, it is further agreed by the parties herein:

1. That clauses Forty-nine (49) and Fifty (50) of the said agreement are hereby deleted.

2. That all other terms and conditions of the agreement shall forthwith come into force and continue in force for a duration of One Year from the 1st Day of December 1937.

IN WITNESS WHEREOF, the employer herein has caused this endorsement to be signed by its duly authorized officers, and its corporate seal to be affixed, and the members of the committee, herein, referred to as the employees, have hereunto, with the authority and consent and on behalf of the Association of Employees, set their respective and several hands and seals.

L. BOWEN
Witness.

SMITH TRANSPORT, LIMITED
Per: P. SMITH
Pres.
Per: J. GUTMANN
Sect'y-Treas.
Employer of the First Part.

Corporate Seal

L. BOWEN
Witness.

C. BOWEN seal
A. NICHOLSON seal
JOSEPH J. COULTER seal
JOHN PATERSON seal
Employees of the Second Part.

THIS AGREEMENT MADE IN TRIPLICATE THIS TENTH DAY OF NOVEMBER, A. D. 1937

BETWEEN:

SMITH TRANSPORT LIMITED
a corporation with Head
office in the City of
Toronto.
hereinafter called
The Employer of the First Part

-and-
-and-
-and-
-and-

C. BOWEN
J. PATERSON
J. COULTER
A. NICHOLSON
All of the City of Toronto
constituting a Committee
appointee to represent the
employees of the Smith Transport
Limited,
hereinafter referred to as
The Employees of the Second Part

WHEREAS, the employer is a common carrier licensed under the Public Commercial Vehicle Act of Ontario, and operates commercial Motor trucks from the City of Toronto to various points in Ontario, and the Province of Quebec, as provided for by its Public Commercial Vehicle License, and

WHEREAS, for the purpose of its business, the said employer, employs at Toronto and other localities served by it in the Province of Ontario, men and women, and

WHEREAS, the said men and women employed by the said employer have united into an association for the purpose of negotiating conditions and terms of work with the said employer, and

WHEREAS, the parties referred to in this agreement as the Committee appointed by the employees of the said employer, and hereinafter referred to as the employees were at a meeting of the said Association, duly constituted at the City of Toronto on the ninth Day of October, A. D. 1937, duly appointed to represent the said Association of Employees, for the purpose of negotiating with the said employer, the said conditions and terms of work, and

WHEREAS, the employees have each and severally endorsed the result of the said negotiations.

NOW THEREFORE, in consideration of the premises and undertakings hereinafter stipulated, it is agreed as follows:

(1) EMPLOYEE, shall mean any person other than an officer or director of the employer, over Sixteen years of age doing labour of whatsoever kind for the benefit of the employer herein on any premises or any property belonging either as a Freehold or Leasehold to the employer.

(2) DRIVER, shall mean an employee occupied for the benefit of the employer at the duties of driving a commercial motor vehicle, and such driver shall be licensed as a chauffeur, under the laws of the Province, in which he is operating.

(3) WAREHOUSEMAN, shall mean any employee whose duties for the benefit of the employer shall be the loading and unloading of commercial motor vehicles, and placing and moving shipments upon the plarforms or any other place in the storage depots of the said employer.

(4) CLERK, shall mean any employee whose duty for the benefit of the employer, is in keeping of records, billing and drawing of papers of whatsoever nature, and clerical work generally speaking.

(5) MECHANIC, shall mean any employee whose duty for the benefit of the employer shall be in the repairing, construction and maintenance of all motor vehicles of the employer.

(6) ASSISTANT MECHANIC, shall mean any employee whose duty for the benefit of the employer shall be in assisting the mechanics and generally servicing the commercial vehicles of the employer.

(7) LABOURER shall mean any employee whose duty for the benefit of the employer shall be to assist in a general way in every department of the employers business.

"HOURS OF WORK"

(8) The hours of work for any employee shall be Ten Hours Per Day, subject nevertheless to a maximum of Sixty Hours per Week.

(9) The working week shall consist of Seven Days, during which week every employee shall work only Six Days.

(10) Any time taken by employees for the purpose of eating or other personal purposes shall not, for the purpose of ascertaining the number of hours worked in any one day or in any one week, be deemed to be working time, notwithstanding that any such time might have been spent by the employee on the premises of the employer.

(11) Any time spent by the Drivers while away from the premises of the employer on any highway or other road for the purpose of eating, or resting, notwithstanding that such eating or resting takes place while the employee occupies the motor vehicle in his charge, shall not be deemed to be working time for the purpose of ascertaining the hours of work of the said employee in any one day or in any one week.

(12) Overtime shall mean such time over and above such hours of work as set out in clause No. 8, of this agreement, as an employee may be required to work.

(13) The working of overtime as set out in the next preceding paragraph shall not be deemed to be an infringement of this agreement, provided that an employee working overtime on any one day, is compensated for such overtime by an allowance of an equal period of time from any day within the week in which such overtime occurs, or so long as the total number of hours worked in the said week shall not exceed Sixty hours.

(14) Overtime as set out in Clause 12, of this agreement insofar as it increases the working hours over and above the maximum hours provided for, in any one week, in clause 8, of this agreement, shall be remunerated at a rate per hour computed on a pro-rata basis, with the employees then regular earnings.

"TERMS OF WORK"

DRIVERS

(15) For the purpose of pay, drivers shall be divided into three groups, as follows:

1. Experienced Driver.
2. Steady Driver.
3. Inexperiencee Driver.

(16) EXPERIENCED DRIVER, as mentioned in the next preceeding paragraph shall mean a driver who has had two years or more of continual experience with a properly established Public Commercial Vehicle Operator, and has not been unemployed for a period exceeding Six months, immediately preceeding the date of enetering the employ of the employer herein.

(17) STEADY DRIVER, shall mean a driver who has had not less than one year and no more than two years continual experience with a properly established Public Commercial Vehicle operator, and shall not have been unemployee for a period longer than three months immediately preceeding the date of entering the employ of the employer herein.

(18) INEXPERIENCED DRIVERS, shall mean a driver who has had no previous experience or who has had less than one year of continual experience with a properly established Public Commercial Vehicle Operator, immediately preceeding the date of entering the employ of the employer herein.

(19) The rate of pay per day of any experienced driver shall be computed on the basis of a minimum wage for A Sixty Hour Week, amounting to Twenty-one Dollars, ($21.00)

(20) The rate of pay per day for a Steady Driver, shall be computed on the basis of a minimum wage for A Sixty Hour Week, amounting to Nineteen Dollars, ($19.00)

(21) The rate of pay per day, of an inexperienced Driver, shall be computed on the basis of a minimum wage for A Sixty Hour Week, amounting to Seventeen Dollars, ($17.00)

(22) A Driver who by reason of his duties is called away from his home base, at a distance in excess of One Hundred Miles, shall be paid at a rate of pay per return trip, equivalent for the time of actual work on that trip, to a rate of pay per week amounting in the minimum:
Firstly to a minimum weekly wage providee for a driver in the class to which the said Driver belongs:
Secondly an additional amount equivalent to a rate of $5.00 per week, in the minimum to provide for expenses incurred.

(23) Where a driver by reason of his duties is called away from his home base, as set out in the next preceeding paragraph, and who, on such trip, had in his charge equipment made up of two semi-trailers, he shall receive an additional amount of $2.00 to the wages already provided for him per return trip.

WAREHOUSEMEN.

(24) For the purpose of pay, warehousemen shall be divided into two groups as follows:

1. Inexperienced 2. Experienced.

(25) INEXPERIENCED WAREHOUSEMAN, shall mean an employee employed as a warehouseman who has had no previous experience or has not worked continuously for a period of one year immediately preceeding the date of his entering into the employ of the employer herein, for a properly established Public Commercial Vehicle operator in the capacity of warehouseman.

(26) EXPERIENCED WAREHOUSEMAN, shall mean an employee employed as a warehouseman who has continually for one year immediately preceeding the date of his entering the employ of the employer herein, worked with a properly established Public Commercial Vehicle operator, in the capacity of warehouseman.

(27) The rate of pay per day for an inexperienced warehouseman shall be computed on the basis of a minimum wage for a Sixty Hour Week, amounting to Seventeen Dollars,, ($17.00)

(28) The rate of pay per day for an experiencee warehouseman shall be computed on the basis of a minimum wage for a Sixty Hour Week, amounting to Twenty-one Dollars, ($21.00)

CLERKS

(29) For the purpose of pay, clerks shall be divided into three groups as follows:

1. Senior Male Clerk
2. Junior Male Clerk.
3. Female Clerk.

(30) SENIOR MALE CLERK, shall mean a man employed as a clerk and being over Twenty-one years of age.

(31) JUNIOR MALE CLERK, shall mean a man employed as a clerk and being under Twenty-one years of age.

(32) FEMALE CLERK, shall mean any woman employed as a clerk.

(33) The rate of pay for A Senior Male Clerk, shall be computed on the basis of a minimum wage of Fifteen Dollars per Week, ($15.00)

(34) The rate of pay for a Junior Male Clerk, shall be not less than that provided for Female Clerks.

(35) The rate of pay for a Female Clerk shall be not less than as provided by the provisions of the minimum wage Act of Ontario, and regulations set forth by the minimum wage Board, set up under the said Act.

MECHANICS

(36) The rate of pay for mechanics shall be computed on a basis of a minimum wage for a Sixty-Hour Week, amounting to ($25.00) Twenty-Five Dollars.

ASSISTANT MECHANICS

(37) The rate of pay for Assistant Mechanics, shall be computed on the basis of a minimum wage for a Sixty Hour Week, amounting to Twenty-One Dollars, ($21.00)

LABOURER

(38) The rate of pay for a labourer shall be computed on the basis of a minimum wage for a Sixty Hour Week, amounting to Seventeen Dollars ($17.00).

SENIORITY

(39) It is also agreed hereby that, where consistant with the operation of the company's business, seniority right shall prevail in the filling of vacancies in the ranks of drivers. For the purpose of this clause the order of promotion shall be as follows:

1. From Warehouseman to the rank of a driver charged with picking up and delivering at terminals.

2. From the rank of a driver charged with pick up and delivery at terminals to the rank of a Highway Driver in charge of tractor and semi-trailer.

3. From the rank of a Highway Driver in charge of tractor and semi-trailer to the rank of a Highway Driver in charge of tractor and two semi-trailers.

(40) It is hereby further agreed, for the purposes of the immediately preceeding clause, that, where a vacancy shall occurr in any of the ranks of drivers the executive of the Association of Smith Transport employees shall be notified as the details of the vacancy and, it shall be permitted for the said executive to advertise the said vacancy on the bulletin board of the company and to receive applications for the position from those entitled to fill the vacancy as provided in the next preceeding clause, and from such applications to make recommendation to the management of the company as to the appointment, having regard as to the length of time the party recommended has been in the employ of the company and his ability to fill the vacancy.

(41) It is hereby agreed, however, that, notwithstanding the recommendation of the recommendation of the said executive of the said Association of Smith Transport Employees, the management of the company shall be at liberty to use its discretion in making an appointment to fill the vacancy and shall not be bound by the said recommendation.

(42) Nothing herein contained shall invalidate the present rate of pay for any employee who shall at the date of execution of this agreement receive remuneration for his services at a greater rate than that provided for by this agreement.

(43) It is agreed and understood that a Public Holiday shall not for the purpose of pay be deemed to be a day of work.

(44) It is further agreed that each employee shall have the right to bargain individually with his employer for a greater rate of pay than that provided by

this agreement, and that no payment made to any workman in addition to the rates of pay provided for in this agreement, shall be construed to work to the prejudice or discrimination of another employee and shall not constitute a breach of this agreement.

(45) It is further agreed that any employee shall have the privilege of discontinuing his employment without first giving notice to the employer herein.

(46) It is also agreed that the employer may dismiss any employee without any manner of notice whatsoever.

(47) It is also agreed further that in the event of a dismissal which an employee may deem to be wrongful, or any other grievance which the employee may have, such dismissed or aggrieved employee may refer his grievances to a Board of Conciliation, consisting of one Executive of the Employer, and one Driver, and one Mechanic, and the decision of the Board of Conciliation, shall be binding upon the employer and the aggrieved employee.

(48) It is hereby further agreed that an employee involved in three motor accidents which the Board of Conciliation shall deem to be due to his negligent operation of a Motor Vehicle, shall be forthwith dismissed without recourse.

(49) It is further agreed that this agreement shall not be binding upon the parties hereto, before it is presented to the Industry and Labor Board of the Province of Ontario, and approved by the said Industry and Labor Board.

(50) It is also agreed that this agreement, when approved as set out in the next proceeding clause, shall come into force and continue in force for a duration of one year from the date of approval.

IN WITNESS WHEREOF, the employer herein has caused this agreement to be signed by its duly authorized officers, and its corporate seal to be affixed, and the members of the Committee herein, referree to as the employees, have hereunto, with the authority and consent and on behalf of the Association of Employees, set their respective and several hands and seals, on the date first above written.

Witnesses:

SMITH TRANSPORT, LIMITED

Per: P. SMITH
Pres.

Per: J. GUTMANN
Sect'y -Treas.

c o r p o r a t e s e a l

Employer of the First Part.

W. H. FORBES

C. BOWEN _____ seal
J. PATERSON _____ seal
JOSEPH J. COULTER _____ seal
A. NICHOLSON _____ seal

Employees of the Second Part.